

JOHN F. MAGNUSON

ATTORNEY AT LAW

ADMITTED IN IDAHO AND WASHINGTON

TELEPHONE

208•667•0100

FAX

208•667•0500

P.O. Box 2350

1250 NORTHWOOD CENTER COURT

SUITE A

COEUR D'ALENE

IDAHO 83816

June 12, 2009

Ms. Erika M. Zimmerman  
U.S. Department of Justice  
Environment and Natural Resources Division  
Environmental Enforcement Section  
P.O. Box 7611, Ben Franklin Station  
Washington, DC 20044-7611

Re: Your Letter of June 2, 2009 to Hypotheek Mining & Milling Company.

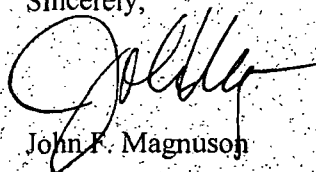
Dear Ms. Zimmerman:

This letter is written on behalf of Hypotheek Mining & Milling Company. Reference is made to your June 2, 2009 letter.

As you are aware, the Company has cooperated fully over a period of in excess of ten years in providing all information you or your predecessors have requested. Given Hypotheek's prior exclusion from proceedings, and its acknowledged status as a "*de minimis* party" and further given its limited resources, we are at a loss to understand how you have reached your "ability to pay" conclusion as contained in your June 2 letter.

It is the Company's desire to reach a mutually-agreeable resolution with you. However, and with all due respect, the terms have to have some relationship to both practicality and reality. I would appreciate it if you could provide me with some insight as to your "ability to pay" analysis, and the conclusions contained in your June 2 letter as to the Company, so that I might properly advise my client. I look forward to hearing from you. Thank you.

Sincerely,



John F. Magnuson

JFM/js

cc: Client

ZIMMERMAN-HYPOTHEEK.LTR.wpd

USEPA SF



1355438